

# August 17, 2005

# **BY HAND-DELIVERY**

Mr. Kevin Brannelly, Director Rates and Revenue Requirements Division Department of Telecommunications and Energy One South Station, 2<sup>nd</sup> floor Boston, MA 02110

Re:

D.T.E. 05-29 - Fitchburg Gas and Electric Light Company d/b/a

Unitil, Compliance Tariff Filing

**Transmittal Letter** 

Dear Mr. Brannelly:

Fitchburg Gas and Electric Light Company d/b/a Unitil ("Unitil") hereby submits two copies of Tariff Sheets M.D.T.E. No. 124-127 to implement sections 2.4-2.7 of the approved Settlement agreement in this docket. Also enclosed is a Cancellation Supplement to M.D.T.E. No. 32 - Seabrook Amortization Surcharge, Schedule SAS.

The compliance tariffs are proposed to become effective on October 1, 2005. Please contact me should you have any questions concerning this matter.

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Senior Attorney

#### **Enclosures**

cc:

Joseph Rogers, Assistant Attorney General

Angela O'Connor, Vice President of Energy Policy, Associated

Industries of Massachusetts

Jerrold Oppenheim, Esq., The Low-income Weatherization and Fuel

**Assistance Program Network** 

David McKeehan, President, N. Central Mass Chamber of Commerce

Mary L. Cottrell, Secretary

Gary Epler Senior Attorney

6 Liberty Lane West Hampton, NH 03842-1720

Phone: 603-773-6440 Fax: 603-773-6640 Email: epler@unitil.com



# August 17, 2005

# **BY HAND-DELIVERY**

Ms. Mary L. Cottrell, Secretary
Department of Telecommunications and Energy
One South Station, 2<sup>nd</sup> floor
Boston, MA 02110

Re: D.T.E. 05-29 - Fitchburg Gas and Electric Light Company d/b/a

Unitil, Compliance Tariff Filing

Letter of Explanation

Dear Ms. Cottrell:

Today, Fitchburg Gas and Electric Light Company d/b/a Unitil ("Unitil") submitted its compliance tariffs, M.D.T.E. Nos. 124-127 in D.T.E. 05-29 to implement sections 2.4-2.7 of the approved Settlement agreement in this docket. Those sections are as follows:

- 2.4 The Company's Seabrook Amortization Surcharge ("SAS") is projected to expire on or before October 1, 2005. Forty-five (45) days prior to its projected expiration, Unitil shall make a tariff compliance filing to end the surcharge. Any under- or over-recovery balance remaining once the surcharge ends shall be added to the Transition Charge deferral balance for review by the Department and reconciliation in the Company's next Transition Charge reconciliation filing.
- 2.5 At the time the SAS expires, the Transition Charge for all customers shall be increased by \$0.00819/kWh, as an offset to the expiration of the SAS, such that, all other factors remaining equal, the Residential RD-1 class shall experience no rate change. In no event shall the Transition Charge be greater than \$0.02420/kWh.
- 2.6 In order to mitigate the increase that would otherwise result at this time due to a more than offsetting increase in the Transition Charge of \$0.00819 against the expiration of a discounted SAS previously charged to the Residential RD-2 (low income) class, the Transition Charge for the Residential RD-2 (low income) class shall be discounted by \$0.00327/kWh, which is equal to the 40 percent SAS discount that this class currently receives.

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Phone: 603-773-6440 Fax: 603-773-6640 Email: epler@unitil.com 2.7 All other factors remaining equal, for all other non-residential rate classes the increase in the Transition Charge of \$0.00819/kWh, offset by the expiration of the SAS for these classes, will result in relatively small decreases or increases.

The compliance tariffs are proposed to become effective on October 1, 2005. Also enclosed is the Cancellation Supplement for M.D.T.E. No. 32 – Seabrook Amortization Surcharge, Schedule SAS. Tariff sheets 124-127 have also been edited to remove references to Standard Offer Service and to update the adjustments section for the Base Rate Reduction approved in DTE 03-88 A-F effective June 1, 2005.

Enclosed with this letter is a check in the amount of \$400.00 for the required filing fees.

Schedule 1 of this filing shows the actual SAS balance of \$271,120 at July 31, 2005. The balance is estimated to be \$24,832 at September 30, 2005 based on projections for August 2005 through September 2005. The Company estimates it will collect \$159,857 additional SAS revenue in October from kWh delivered on a service rendered basis in September. This revenue, less taxes, levelized carrying charge, and amortization, yields an over-recovery of \$84,913 which shall be rolled into the Transition Charge deferral balance for review by the Department and reconciliation in the Company's next Transition Charge reconciliation filing.

Schedule 2 demonstrates the resulting changes in the class Transition Charges as a result of this filing.

Schedule 3 is a summary of the electric delivery service rates to be effective October 1, 2005. This schedule reflects the expiration of the SAS and the revised Transition Charges.

Schedule 4 to this filing demonstrates the bill impacts to customers as a result of this filing. Impacts range from -0.9% to 0.9% depending on customer class and usage patterns. The bill for a 500 kWh residential customer will remain unchanged at \$76.25.

Please contact me should you have any questions concerning this matter.

Gary Epler

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Mary Cottrell, Secretary August 17, 2005 Page 3

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